

RESEARCH THEMES

Nine Research Clusters

- ▶ Corporate Governance, Organization and Strategy
- ▶ Regulation, Deregulation and Competitiveness
- ▶ Employment and Safety Nets
- ▶ Innovation and University-Industry Cooperation
- ▶ International Economic Relations
- ▶ Asian Economies and Regional Integration
- ▶ Political Economy and Public Policy Process
- ▶ Macroeconomic Policy and Performance
- ▶ Quantitative Analysis and Databases

RIETI sets issues surrounding medium- to long-term economic system reform as its prime research subject, and aims to help invigorate policy debates and improve the quality of policy formulation by conducting policy research and recommendations derived from policy and institutional analysis, while at the same time devoting attention to issues calling for immediate solutions. To this end, and based on our recognition of the current economic and social conditions, we have set up nine “research clusters” to conduct policy research and disseminate policy recommendations in an objective manner within theoretical and analytical frameworks. The research clusters are meant to be a general map that shows the research fields covered by RIETI. Actual research activities are undertaken in the form of “research project” within research clusters. In some cases, research projects encompass several research clusters.

*The titles of fellows are those of the fiscal year which ended March 31, 2004 (FY2003). Research results are derived from research projects in FY2003. (research results completed by December 3, 2004 are included in the lists).

* Abbreviation: SF=Senior Fellow; F=Fellow; FF=Faculty Fellow; CF=Consulting Fellow; RA=Research Associate



1

1. Corporate Governance, Organization and Strategy

Amid rapid changes in the business environment including the developments in information technology and the globalization of the economy, Japanese firms that had achieved enormous success in the postwar era with “Japanese-style management” now find themselves in challenging times and are searching for new management models. This research cluster focuses on the analysis of current environmental changes and attempts to identify future models for Japanese firms. With a view to cumulating the policymaking case studies, research on development and transition of Japanese industrial policy and industrial organization are also conducted.

Research projects & Fellows (representative fellow in case of group project)	Major research results
1. Methodology of comparative institutional analysis (Masahiko AOKI, President and Chief Research Officer)	Discussion Paper “An organizational architecture of T-form: silicon valley clustering and its institutional coherence”
2. Sports industry (Ichiro HIROSE, Senior Fellow)	Survey Report “Ex-post evaluation of the World Cup - have there been evaluation by the local authorities?”
3. Corporate governance in Japan (Gregory JACKSON, Fellow)	Discussion Paper “Enterprise boundaries and employee representation: Deutsche Telekom and NTT compared” (Gregory JACKSON and Mari SAKO) “Corporate governance and employees in Germany: changing linkages, complementarities, and tensions” “Contested boundaries: ambiguity and creativity in the evolution of German codetermination” (Gregory JACKSON, Martin HOPNER and Antje KURDELBUSCH) “Toward a comparative perspective on corporate governance and labour management”
4. Corporate restructuring and revival (XU Peng, Faculty Fellow)	Discussion Paper “Bankruptcy resolution in Japan: civil rehabilitation vs. corporate reorganization”
5. (1) Research and analysis of the determinants of international competitiveness in semiconductor and semiconductor-related industries (2) Research and analysis of the satisfaction rating in Japan's manufacturing workplaces (Hiroyuki CHUMA, Faculty Fellow)	Discussion Paper “What Japanese workers want: evidence from the Japanese worker representation and participation survey” (Hiroyuki CHUMA, Takao KATO and Isao OHASHI)
6. Organizational capabilities and competitiveness (Kentaro NOBEOKA, Faculty Fellow)	Discussion Paper “Organizational capabilities of product development: international competitiveness of Japanese automakers” (Kentaro NOBEOKA and Takahiro FUJIMOTO)
7. Empirical analysis of product architecture (Takahiro FUJIMOTO, Faculty Fellow)	Discussion Paper “In which industries does Japan excel? The compatibility between architecture and organizational capability” (Takahiro FUJIMOTO and Kentaro NOBEOKA)
8. Study on the modularization in Chinese manufacturing industries (Takahiro FUJIMOTO, Faculty Fellow)	Discussion Paper “Quasi-open architecture and technological lock-in: evidence from the Chinese motorcycle industry” (Takahiro FUJIMOTO and GE Dongsheng)

Research projects & Fellows (representative fellow in case of group project)	Major research results
9. Quantitative analysis of corporate organizational transformation in the 1990's (Tetsuji OKAZAKI, Faculty Fellow)	Discussion Paper "Japan's technology introduction and management policy and corporate performance" (Tetsuji OKAZAKI and Kozo KIYOTA)
10. Evolutionary history of industrial and corporate structure (project representative: Tetsuji OKAZAKI, Faculty Fellow)	Discussion Paper "Effects of bank consolidation promotion policy: evaluating the Japanese bank law in 1927" (Tetsuji OKAZAKI and Michiru SAWADA)
11. Corporate governance (project representative: Hideaki MIYAJIMA, Faculty Fellow)	Discussion Paper "Quantitative analysis of the dissolution of cross shareholding: Mark II" (Hideaki MIYAJIMA and Fumiaki KUROKI) "Cross shareholding and initiative effects" (Yasuhiro ARIKAWA and Atsushi KATO)
12. Study group on small- and medium-sized enterprises (project representative: Takehiko YASUDA, Consulting Fellow)	Discussion Paper "Quantitative analysis on the current status and impacts of industry-academia collaboration: implications for Japan's reform of its innovation system" (Kazuyuki MOTOHASHI) "Empirical analysis on the survival and bankruptcies of small- and medium-sized enterprises" (Toshiaki TACHIBANA and Takashi SAITO) "Constraints on liquidity for start-ups: entrepreneurial motivation and the effect of government funding schemes" (Takehiko YASUDA) "Evolution of the globalization of small- and medium-sized enterprises: factors and accomplishments" (Hiroki KAWAI)
13. Japan's cultural industry (Riina TOYA, Research Associate)	Publication "HERMES" (Shinchoshinsho, 2004)



RIETI Policy Symposium "Auto Industry Symposium: The 2003 RIETI-HOSEI-MIT IMVP Meeting" (2003.9.12)



2

Regulation, Deregulation and Competitiveness

Based on analysis of technological innovation trends, recent developments in regulatory policy in Europe and North America and the progress of regulatory reforms in those regions, researchers in this cluster conduct theoretical and empirical studies to seek out future models of regulatory structures and competition policies in Japan for the electric power market, telecommunications market, etc. They also develop models for quantitative analysis of the impact of various policy options on the society.

Research projects & Fellows (representative fellow in case of group project)	Major research results
1. Regulatory reform in telecommunication (Nobuo IKEDA, Senior Fellow)	Discussion Paper "The unbundling of network elements - Japan's experience" "Semiconductors as general purpose technology" Policy Discussion Paper "Status of radio wave utilization" Survey Report "Status of bandwidth utilization in Japan"
2. Digital information and property rights (project representative: Nobuo IKEDA, Senior Fellow)	Discussion Paper "Open platform and non-profit organizations" "Governance of digital information - introduction to economic analysis of intellectual property rights"
3. Basic research on the shape of a new generation legislation on environment (Hiroya TANIKAWA, Senior Fellow)	Discussion Paper "Incentive structure of environmental self-compliance of Japanese firms - empirical analysis based on case studies and questionnaires"
4. Development of multi-sector general equilibrium model for policy evaluation (Kazunari KAINOU, Fellow)	Discussion Paper "Simulating a budget crisis"
5. Emerging trend in efforts to tackle global warming, and efforts to create unified international standards (Kazunari KAINOU, Fellow)	RIETI's Economic Policy Review Series "Revisiting global warming - how to tackle the post Kyoto Protocol negotiations", Chapter 6 "Future scenario based on energy demand and supply"
6. Small-scale micro-model for policy evaluation (Yoshitsugu KANEMOTO, Faculty Fellow)	Discussion Paper "Policy evaluation using a consumer surplus approach"
7. Designing a transaction system - emission rights (project representative: Tatsuyoshi SAIJO, Faculty Fellow)	Discussion Paper "Does the Varian mechanism work? - emissions trading as an example" (Yasuyo HAMAGUCHI, Satoshi MITANI and Tatsuyoshi SAIJO) Policy Discussion Paper "Designing a domestic institutional framework for the fight against global warming" (Tatsuyoshi SAIJO, Kenju AKAI, Azusa OKAGAWA, Takao KUSAKAWA)
8. Development of public sector accounting system modules (Fumiki SAKURAUCHI, Faculty Fellow)	Discussion Paper "A treatise on public sector accounting system under the Constitution"
9. Electricity market liberalization (Tatsuo HATTA, Faculty Fellow)	RIETI's Economic Policy Review Series "Liberalizing electricity markets - an economic analysis" Discussion Paper "Basic structure of a competitive market for electricity"
10. Development of an economic methodology for trade and industrial policy (Hiroaki NIIHARA, Consulting Fellow)	Publication "Japanese excellent companies, their source of corporate management - the six conditions" (Nihonkeizai Shimbunsha, 2003)
11. Policy on pop-culture (Ichiya NAKAMURA, Consulting Fellow)	Policy Discussion Paper "An overview of pop-culture policy"
12. Human resource development in public service (Keita NISHIYAMA, Consulting Fellow)	Planning and implementation of the RIETI Policy Symposium "Professional approaches to policy making - beyond new public management"

3

Employment and Safety Nets

As Japan goes through a major transformation in its corporate governance model, and diversification of social values and working patterns, traditional rigid employment systems are being modified to provide more flexibility and openness. As technological innovation accelerates, employment mismatch is also becoming an issue. Taking these emerging circumstances into consideration, research has been conducted pertaining to the desirable labor law and infrastructure as well as an ideal form of safety net in the health and social security systems.

Research projects & Fellows (representative fellow in case of group project)	Major research results
<p>1. Research on the smooth allocation of labor force to growing sectors (project representative: Toshihiro KODAMA, Senior Fellow)</p>	<p>Discussion Paper "Analysis of effects on employment based on corporate panel-data—impact of organizational change and foreign direct investments on employment afterwards" (Yoshio HIGUCHI and Toshiyuki MATSUURA) "A comparative analysis of job entry methods in Japan, the U.S. and Europe" (Yoshio HIGUCHI, Toshihiro KODAMA and Masahiro ABE) "The effects of job entry methods on outcomes in switching jobs" (Toshihiro KODAMA, Yoshio HIGUCHI, Masahiro ABE and Mitsuru SUNADA) "Effectiveness of qualifications and general training on job turnover success" (Masahiro ABE, Masako KUROSAWA and Akihito TODA) "The impact of computerization on regular employment" (Mitsuru SUNADA, Yoshio HIGUCHI and Masahiro ABE)</p>
<p>2. Empirical study of the financial and human resource management in Japanese corporations (Project representative: Masahiro ABE, Faculty Fellow)</p>	<p>Discussion paper "Monetary policy in the great recession" (Yoichi ARAI and Takeo HOSHI) "Corporate finance and human resource management" (Masahiro ABE and Takeo HOSHI)</p>
<p>3. Designing a medical scorecard (Koichi KAWABUCHI, Faculty, Fellow)</p>	<p>Policy Discussion Paper "Hospitals attached to national universities facing transformation - how they will change through corporatization"</p>
<p>4. Study group on equal participation of men and women in society, and on increasing women's effectiveness (Toshiaki TACHIBANAKI, Faculty Fellow)</p>	<p>Planning and implementation of the RIETI Policy Symposium "Identifying conditions for women's active participation in society"</p>



RIETI Policy Symposium
 "System Design in the Age of Broadband II" (2003.12.04)



4

Innovation and University-Industry Cooperation

The features of today's business environment are the fast-pace of technological innovation and the increasing importance of innovation capacity. With a view to finding ways to strengthen the industrial technological capacity to cope with this environment, researchers in this cluster study creative R&D mechanisms, technology spillover mechanism, organic industry-academia-government cooperation, and systems for creating a competitive and flexible R&D environment. They also conduct policy research regarding preferable intellectual property rights systems, taking into account that the nature of intellectual property as a public good.

Research projects & Fellows (representative fellow in case of group project)	Major research results
1. Research on regional clusters focusing on TAMA (Technology Advanced Metropolitan Area) (Toshihiro KODAMA, Senior Fellow)	Policy Discussion Paper "Innovative capacity of TAMA firms and their cluster formation - based on a questionnaire survey"
2. Science-Technology-Industry network (Project representative: Schumpeter TAMADA, Fellow)	Discussion Paper "Measuring science linkages in the four major technology areas" "Source of patented knowledge" (Schumpeter TAMADA, Fumio KODAMA and Kiminori GENBA) "Science linkage in technologies patented in Japan" (Schumpeter TAMADA, Yusuke NAITO, Kiminori GENBA, Fumio KODAMA, Jun SUZUKI and Akira GOTO)
3. (1) Industry-academia cooperation, (2) Research on fuel-cell, (3) Regional cluster (Yuko HARAYAMA, Faculty Fellow)	RIETI's Economic Policy Review Series "Industry-academia cooperation - toward institutional design to cultivate innovative power" Discussion Paper "Science-Technology-Industry network - the competitiveness of Swiss biotechnology: a Case study of innovation" (J. Bart CARRIN, Yuko HARAYAMA, J. Alexander K. MACK, and Milad ZARIN-NEJADAN) Policy Discussion Paper "Industry-academia cooperation in Japan"
4. Research project on the National Institute of Advanced Industrial Science and Technology (Masayo FUJIMOTO, Faculty Fellow)	RIETI's Economic Policy Review Series "Industry-academia cooperation - toward institutional design to cultivate innovative power" Chapter 6 "Industry-Academia-Government cooperation - a comparison of the agency of industrial science and technology and the national institute of advanced industrial science and technology"
5. China's science and technology policy (Atsushi SUNAMI, Fellow)	Discussion Paper "China's industry-university-research institutes linkages and university-based firms"
6. Study on the restructuring of Japanese research and development (Lee Branstetter, Visiting Fellow)	Discussion Paper "The restructuring of Japanese research and development: the increasing impact of science on Japanese R&D" (Lee BRANSTETTER and KWON Hyeog Ug)



BBL Seminar "An Industry-Academia Cooperation as Catalyst for Innovation" (2003.06.20)



5

International Economic Relations

Today's economic globalization entails many complex facets that go beyond merely developing closer links between countries through trade and investment. Furthermore, as illustrated by the rise of China, the economic status of each country in the global economy has been fluctuating. In tandem with these changes, balancing the interests among different countries gets extremely complicated. Researchers in this cluster conduct multifaceted and interdisciplinary studies into the new international politico-economic regime that fits to the present environment, from the perspectives of law, economics and politics.

Research projects & Fellows (representative fellow in case of group project)	Major research results
<p>1. Agricultural negotiation under WTO and agricultural policy reform (Kazuhiro YAMASHITA, Senior Fellow)</p>	<p>RIETI's Economic Policy Analysis Series "Agricultural policy reform for Japan and its consumers"</p> <p>Policy Discussion Paper "Food safety and international trade"</p> <p>"Institutional design of agricultural policy reform - direct payment, farm land and corporate entry"</p>
<p>2. Issues surrounding the WTO (project representative: Tsuyoshi KAWASE, Fellow)</p>	<p>RIETI's Economic Policy Analysis Series "Safeguards under the WTO agreement: issues and proposals for a more effective mechanism" (Tsuyoshi KAWASE, Ichiro ARAKI)</p>
<p>3. Decision-making in the WTO (Nozomi SAGARA, Fellow)</p>	<p>Discussion Paper "Historical perspective on the evolution of the multilateral agreement on investment - from the point of view of the feasibility of a successful conclusion of an WTO investment treaty and the interests of developing countries"</p> <p>Survey Report "Feasibility of a successful conclusion of an WTO investment treaty and the perspective of developing countries' interests"</p>
<p>4. WTO agriculture negotiations and agricultural reform in Japan (Masayoshi HONMA, Faculty Fellow)</p>	<p>Discussion Paper "Globalization of Japanese agriculture and reforms in politics and agricultural cooperatives" (Masayoshi HONMA, Aurelia George MULGAN, Yoshihisa GODO)</p>
<p>5. Internationalization of Japanese corporations (project representative: Shujiro URATA, Faculty Fellow)</p>	<p>Discussion Paper "Vertical intra-industry trade and foreign direct investment in East Asia" (Kyoji FUKAO, Hikari ISHIDO, Keiko ITO, and Yoshimasa YOSHIIKE)</p> <p>"Physical and human capital deepening and new trade patterns in Japan" (Kyoji FUKAO and Keiko ITO)</p> <p>"The Shift from 'Market-led' to 'Institution-led' regional economic integration in East Asia in the late 1990s" (Shujiro URATA)</p> <p>"Do foreign firms bring greater total factor productivity to Japan?" (Kyoji FUKAO)</p> <p>"How to measure non-tariff barriers? - a critical examination of the price-differential approach" (Kyoji FUKAO)</p> <p>"Why has the border effect in the Japanese market declined? - the role of business networks in East Asia" (Kyoji FUKAO, Goushi KATAOKA and Arata KUNO)</p>
<p>6. Computable general equilibrium model of global trade (Kenichi KAWASAKI, Consulting Fellow)</p>	<p>RIETI's Economic Policy Review Series "Revisiting global warming - how to tackle the post Kyoto Protocol negotiations" Chapter 5 "The impact of the Kyoto Protocol on the Japanese economy"</p> <p>Discussion Paper "The impact of free trade agreements in Asia"</p>



6

Asian Economies and Regional Integration

As the rise of China and other such changes in global comparative advantage, one of Japan's important policy concerns is how to build relationships with Asian countries. In finding answers to this question, this research cluster focuses on economic trends and economic relationships within Asia, and the effect that security issues have on the regional economy. Dialogue and cooperation among Asian nations is essential for the formation of a new order to cope with the increasing mobility of persons, information and natural resources, and to this end we strive in shaping a network of researchers and administrative officers throughout Asia.

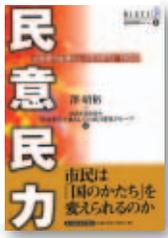
Research projects & Fellows (representative fellow in case of group project)	Major research results
1. The Chinese economy (C.H. KWAN, Senior Fellow)	Policy Discussion Paper "Why the RMB should be revalued - a stronger RMB should benefit not Japan but China itself" RIETI's Economic Policy Review Series "Pros and Cons of RMB revaluation: interests and arguments of China, Japan and the United States"
2. Study on Japan-China capital investment exchange (Toshiya TSUGAMI, Senior Fellow)	Planning and execution of Japan-China economic conference 2003
3. Chinese Economy (Toshiya TSUGAMI, Senior Fellow)	Discussion paper "Current status and issues on China's local public finance - recent developments"
4. East-Asian economic development and changes in the structure of regional agglomeration (Masato HISATAKE, Senior Fellow)	Presentation of paper at the RIETI Policy Symposium "Resolving new global and regional imbalances in an era of Asian integration" "Changes in East Asian regional economic structure during the dynamic process of economic integration - from the point of view of new geographical economics"
5. Asian economic intergration (Naoko MUNAKATA, Senior Fellow)	Discussion paper "Regionalization and regionalism: the process of mutual interaction"
6. Possibility for an industrial cooperation in the East Asian region, and development of domestic regional industry (Mitsuhiro SEKI, Faculty Fellow)	Discussion paper "Japanese companies operating in South Vietnam"
7. Diplomacy toward Asia (Yoshihide SOEYA, Faculty Fellow)	RIETI's Economic Policy Review Series "Revisiting global warming - how to tackle the post Kyoto Protocol negotiations" Chapter 8 "Japan's strategy beyond the Kyoto Protocol: diplomacy based on principle and reality" Discussion Paper "Japan in East Asia: changes in the 1990s and new regional strategy"
8. Chinese economy in transition (MENG Jianjun, Faculty Fellow)	Discussion paper "Capital and labor mobility and China's economic development" (MENG Jianjun, ZHOU Shaojie) Survey Report "Empirical analysis on a sustainable economic development in China, based on the introduction of a new concept of 'economic administrative region'"
9. Japan and Asia: rethinking Asian regionalization (Takashi SHIRAIISHI, Faculty Fellow)	Discussion paper "The rise of new urban middle classes in Southeast Asia: what is its national and regional significance?"



Keynote speech at "Japan-China Economic Conference 2003" (2003.11.5-7)



RIETI Policy Symposium "Business Assisting Services at U.S. Public Libraries" (2003.7.11)



7 Political Economy and Public Policy Process

Past economic theories have neglected the fact that a government organization is a place where manifold interests meet. However, without analyzing the assorted interests involved in the policymaking process, we can hardly realize effective and feasible institutional reform. In this research cluster, analysis of political and economic interrelations, strategic approaches needed for institutional reform, and the role of the civil society, in particular NPOs and NGOs, are conducted.

Research projects & Fellows (representative fellow in case of group project)	Major research results
1. Development of a design tool of “social systems” (Yoshinori YOKOYAMA, Senior Fellow)	Discussion paper “Fiscal reform from the perspective of social system design”
2. Designing a public information and media space for civil empowerment (Akiko SUGAYA, Fellow)	RIETI’s Economic Policy Review Series “Civil Mind Civil Power - NPO/NGOs as the lead actor in the public sector” Chapter 7 “IT and the growth of civil society” Publication “Libraries building the future - a report from New York”
3. Democratization of foreign policy (Motoko MEKATA, Fellow)	RIETI’s Economic Policy Analysis Series “Civil Mind Civil Power - NPO/NGOs as the lead actor in the public sector” Chapter 6 “NPOs / NGOs as lead actors in the public sector - creating a democratic society where the average person can make policy proposals”
4. Institutional change : theory and experiment (project representative: Hirokazu TAKIZAWA, Fellow)	Discussion Paper “Non-excludable public good experiments” (Tatsuyoshi SAIJO, Takehiko YAMATO and Konomu YOKOTANI) “Secure implementation experiments: do strategy-proof mechanisms really work?” (Tatsuyoshi SAIJO, Timothy N. CASON and Tomas SJOSTROM) “Coordination costs and the optimal partition of a product design” (Hirokazu TAKIZAWA) “An experimental evaluation of random-cut auction in the form of designated competitive bidding” (Toshiji KAWAGOE) “Strategy-proof sharing”(Hideki MIZUKAMI, Tatsuyoshi SAIJO and Takuma WAKAYAMA) “Secure implementation: strategy-proof mechanisms reconsidered” (Tatsuyoshi SAIJO, Tomas SJOSTROM and Takehiko YAMATO) “Voice matters in the Dictator Game” (Toshiji KAWAGOE, Tetsuo YAMAMORI, Kazuhiko KATO, Akihiko MATSUI)
5. Domestic Japanese politics and society-institutional changes (Gerald CURTIS, Faculty Fellow)	Discussion Paper “Japanese political parties: ideals and reality”
6. Political science of crises (project representative: Ikuo KUME, Faculty Fellow)	Discussion Paper “Coordination as a political issue: changing labor-employer relation in a coordinated market economy” (Ikuo KUME, Kathleen THELEN)
7. Studying the Bubble economy (Michio MURAMATSU, Faculty Fellow)	Discussion Paper “A political analysis of the delayed decisions concerning the disposal of the non-performing loans in 90s”
8. Local self-governance (Tomitaro KITAMI, Consulting Fellow)	Discussion Paper “Redesigning the fiscal structure of local governments: from the point of view of local governance reform”
9. A competitive university system (Akihiro SAWA, Consulting Fellow)	Policy Discussion Paper “National university corporation law and the reform of national universities” “The source of international competitiveness of US universities”



8

Macroeconomic Policy and Performance

As far as economic development goes, Japan has rapidly caught-up with the United States and Europe under bureau-pluralistic approach bearing the elements of the developing countries. We now must reconfigure traditional relations between our government and citizens into a new, more productive relationship. Also, the roles of industries and the regional governments whose basis of existence depends on the national government support, especially public works, shall be reviewed through the reexamination of fiscal and financial policy. Researchers in this cluster conduct theoretical and empirical analysis on these issues.

Research projects & Fellows (representative fellow in case of group project)	Major research results
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1. Public finance reform
(project representative: Masahiko AOKI,
President and Chief Research Officer)

- RIETI's Economic Policy Analysis Series**
"Fiscal reforms of Japan: redesigning the frame of the state"
- RIETI's Economic Policy Review Series**
"Civil Mind Civil Power - NPO/NGOs as the lead actor in the public sector", Lead-off dialogue
- Discussion Paper**
"Supply shock and short-term price variance" (Tsutomu WATANABE, Kaoru HOSONO, Mariko YOKOTE)
"Fiscal problems of Japan: toward prescribing a solution" (Kotaro TSURU)
"Two aspects of Japan's bureaucratic system as seen in fiscal procedures" (Jun IIO)
"Why does the government's budget balloon and how can it be curbed? - focusing on incentives for bureaucrats" (Nario KADONO, Hirokazu TAKIZAWA)
"Political system and fiscal performance: Japan's historical experience" (Tetsuji OKAZAKI)
"The role of public awareness in fiscal reform" (Mieko NAKABAYASHI)
"Fiscal discipline/government debt management and monetary policy" (Tsutomu WATANABE)
"Tax reform from the perspective of economic revitalization" (Ichiro SAKATA)
"The political economy of tax reform" (Shigeki KUNIEDA)
"Fiscal reform from the perspective of social system design" (Yoshinori YOKOYAMA)
"The central and local governments: redesigning intergovernmental fiscal relations" (Takero DOI)
"Redesigning the fiscal structure of local governments: from the point of view of local governance reform" (Tomitaro KITAMI)
"Simulation analysis of fiscal crisis" (Kazunari KAINO)
"Stock analysis of fiscal problems: focusing on burdens brought to future generations" (Yoichi TAKAHASHI)
"Fiscal rules and public expenditure management" (Hideaki TANAKA)
"Fiscal rules and public expenditure management: case study 1 - Australia" (Hideaki TANAKA)
"Fiscal rules and public expenditure management: case study 2 - New Zealand" (Hideaki TANAKA)

2. Financial and corporate system in transition
(Kotaro TSURU, Senior Fellow)

- Discussion Paper**
"Depositors' selection of banks and the deposit insurance system in Japan: empirical evidence and its policy implications"
"Bank regulation and market discipline around the world" (Kaoru HOSONO, Hiroko IWAKI and Kotaro TSURU)

Research projects & Fellows (representative fellow in case of group project)	Major research results
3. Functions of a financial market (Iichiro UESUGI, Fellow)	<p>Discussion Paper "On the relationship between the very short forward and the spot interest rate" "Trade credit and its relationship with bank loans" "Trading company finance and the relationship between trade credit and loans" [in English and Japanese] (Iichiro UESUGI and Guy M. YAMASHIRO)</p>
4. Financial macroeconomics (Keiichiro KOBAYASHI, Fellow)	<p>Publication "Price for escaping - finding the answer to deflation and economic crisis" (Nihonkeizai Shimbunsha, 2003)</p> <p>DISCUSSION PAPER "A theory of banking crises" "Deflation caused by bank insolvency" "Unstabilization of the financial system and its impact on the real economy" (Keiichiro KOBAYASHI and Masaru INABA) "Monetary cycles" (Keiichiro KOBAYASHI and Masaru INABA) "A key currency and a local currency? a simple theoretical model and its welfare implications" "Transaction services and asset-price bubbles" "Is financial friction irrelevant to the great depression? - simple modification of the Carlstrom-Fuerst model" "Payment uncertainty and the productivity slowdown"</p>
5. US budgetary process: system, implementation and implication for Japan (Mieko NAKABAYASHI, Fellow)	<p>Discussion Paper "The role of public awareness in fiscal reform"</p>



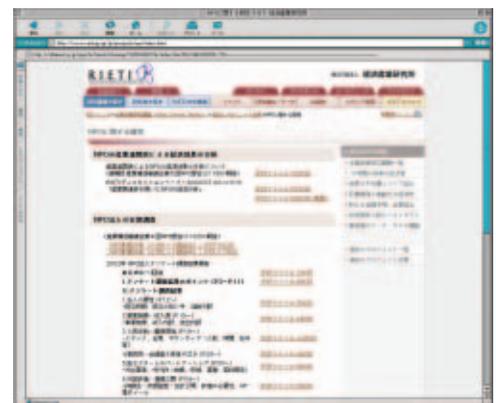
RIETI Policy Symposium
 "Fiscal reform of Japan: redesigning the frame of the state"
 (2004.3.11)

9

Econometric Analysis and Database

In this research cluster, empirical analysis using original datasets such as those based on corporate data as well as policy simulation employing general equilibrium model are conducted to contribute quantitative analysis to the policymaking process. Data collection that will clarify the present status of industry-academia cooperation as well as NPOs management is also carried out under this cluster. We plan to produce our original datasets in forms that can be utilized by the public at large.

Research projects & Fellows (representative fellow in case of group project)	Major research results
1. Quantitative economic analysis of international competitiveness of high-technology industry (Kazuyuki MOTOHASHI, Senior Fellow)	Discussion Paper "Economic growth of Japan and the United States in the information age" (Dale W. JORGENSON and Kazuyuki MOTOHASHI) "Japan's patent system and business innovation: reassessing pro-patent policies" "Firm level analysis of information network use and productivity in Japan" "Quantitative analysis of the current status and impact of university-industry collaboration: implications for the reform of Japan's innovation system" "Economic analysis of university-industry collaborations: the role of new technology based firms in Japanese national innovation reform"
2. Project on international comparison of productivity among Pan-Pacific countries (ICPA) (Kazuyuki MOTOHASHI, Senior Fellow)	Planning and implementation of "RIETI-KEIO conference on Japanese economy - leading East Asia in the 21st century?"
3. Microdata development (Mutsuharu TAKAHASHI, Manager, Quantitative analysis and databases)	Policy Discussion Paper "Development and utilization of panel data for the Basic survey of Japanese business structure and activities: issues for the application to economic analysis" (Kozo KIYOTA, Toshiyuki MATSUURA)
4. Constructing data related to NPOs (Mutsuharu TAKAHASHI, Manager, Quantitative analysis and databases)	The details and analysis of a questionnaire survey on the current status of NPOs in Japan are available in Japanese under the "Research project on NPOs" at http://www.rieti.go.jp/jp/projects/npo/index.html



"Research project on NPOs"